STATE OF THE CITY ADDRESS

MAYOR LOUISE E. SCHILLING

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Ladies and Gentlemen,

It is my distinct pleasure to address you today as Mayor of the City of Troy. 2009 marks a very special time in the history of our country. Three weeks ago, our 44th president of the United States was sworn in. As he spoke so eloquently, I like many Americans felt a renewed sense of hope and optimism about solving the problems that confront us. It will not be easy to turn any of our problems around, particularly the struggling economy; however, I remain hopeful because there are a lot of positive things happening in Michigan and especially the City of Troy.

It should be known that during the inauguration, President Obama placed his hand on the bible that once belonged to Abraham Lincoln. Coincidentally, today we celebrate the birthday of our 16th President's 200th Birthday. There is no doubt that during his presidency, Lincoln, too faced some of our nation's most trying times. Not knowing what lie ahead, Lincoln took steps to change the future of our country.

Lincoln said, "The best thing about the future is that it comes one day at a time" and "You cannot escape the responsibility of tomorrow by evading it today."

Indeed. I'm here, ladies and gentlemen, to say we must work hard today in order to preserve our future for the next generations. It is the responsibility of all of us to come together regardless of our place in life. President Obama was correct when he said that we must pull together as he called for "a new era of responsibility" for this is the "price and promise of citizenship." He was correct that we all have important obligations as citizens to our neighbors, to our government...to the world.

Yes, I know that we've had darker times throughout our country and that we have remained strong throughout. I am also certain that our nation and community will continue to thrive because as Lincoln professed "the better angels of our nature will overcome." Our citizens have worked hard, donating countless hours of service throughout our 54 short years as a city. Because we live in such an energetic and progressive community, I know Troy residents will continue to take the time to help others and this community will persevere through this economic turmoil.

President Lincoln once emphasized that, "I am a firm believer in the people. If given the truth, they can be depended upon to meet any national crisis." I am pleased to say that I, too, am a believer in the people. I believe because our residents, business owners and employees in Troy refuse to give up on this place we call home. They continue to buy, reinvest, renovate, and construct new homes and businesses in our community. Our citizens continue to support our local Troy businesses and each other, donating again and again to our local nonprofit organizations and places of worship. Our people have come together to make Troy the great city it is and we will continue to work together as this country begins the slow process of reenergizing our economy.

Fellow citizens of Troy, Council members, City Manager Nelson, members of the City Administration, Business Leaders, Troy Chamber of Commerce and guests, it is with great pleasure that I address you in the great City of Troy. Although times have been tough in Michigan the last few years, the state of this City, past and present remains vibrant as we continue to grow and even prosper. There is so much happening in our City related to residential and business development that we should all keep a positive outlook just like our new president emphasizes.

I have been meeting with our Troy City Council members along with our Management team during the past few weeks to put together a fiscally responsible budget for 2009-10. This has not been an easy task with what has been happening throughout our country. But, we as Troy residents and business leaders

should remember how very fortunate we are to live and work in one of the highest rated communities for our service, economy, public safety, schools and trained workforce. Our quality of life is second to none.

As Abraham Lincoln said, "I like to see a man proud of the place in which he lives. I like to see a man live so that his place will be proud of him." We do have a lot to be proud of!

For instance:

Troy is the 12th-largest city in Michigan and the second-largest city in the state based on total property value. Troy is located in Oakland County, one of the five most prosperous counties in the United States. Troy has the second largest property value in the state of Michigan at nearly \$12.8 billion. And Troy has the lowest tax rate of any major city in Oakland County at 9.28 mills.

Troy remains the home to several Fortune 500 businesses including Flagstar Bank, Delphi, ArvinMeritor and Kelly Services, which provide the center post for three world-class business districts: Northfield Parkway, the Big Beaver Corridor and Maple Road Corridor.

Troy definitely is a great place to live, work, operate a business, learn and play. People choose to live in Troy because it provides an excellent service mix as well as first rate public schools. Case in point – in 2008, CNN Money Magazine named Troy the #1 Best Michigan City in which to live and #22 in the Nation. They stated that with some of the highest-ranked schools in Michigan, moderately priced homes, safe streets and low property taxes, Troy is a great place for families. Though the city lacks a significant downtown, it thrives around its green space, featuring 900 acres of parkland, as well as our museum.

In these tight economic times, Troy continues to provide the very best in City services while keeping our tax rate one of the lowest in Oakland County. We have very dedicated and hardworking City employees who continue to serve our residents each and every day. We offer excellent services to our residential and corporate citizens. Our City services are second to none and because of this we cannot ignore our City staff that carry out the day-to-day operations and are dedicated to serving Troy citizens. From our building department staff working with residents and contractors pulling permits to the snowplow drivers clearing our 360 miles of roads and consistently doing so ahead of their rigorous completion goals. From our dedicated Police Officers and volunteer Fire Fighters working 24/7 to keep our City safe to the Library staff who are there to answer our questions or help us find that perfect book, it's these day-to-day heroes who are vital players in addressing our resident's needs.

Our excellent customer service is proven by the numerous awards and honors that the City and various departments have earned over the past year.

For the second year in a row, Troy was one of four local cities identified as a top performer for attracting and retaining entrepreneurial companies in a study by the University of Michigan-Dearborn School of Management. City Manager Phil Nelson and Assistant City Manager Brian Murphy are working diligently with their staff on business development and retention as this is one of our most important and necessary goals...to retain and attract investment while encouraging redevelopment.

Troy continues to boast a triple A bond rating from Standard & Poor's, IBCA and Moody's Investor Service. For the 9th consecutive year, the City of Troy received all three of the International Government Finance Officers Association Awards for the City Budget Document, the Comprehensive Annual Financial Report and the City of Troy 2007 Financial Summary. Special recognition goes out to Assistant City Manager John Lamerato and his team as we work on another balanced budget this year.

Another major reason people and businesses choose to call Troy home is safety and security. On the subject of safety, the 15th annual analysis of FBI Crime reports once again placed Troy as the safest city in Michigan. We also remain in the top 20 of safest cities in the United States. Thanks to Police Chief

Charles Craft and his dedicated team of professionals, we know that Troy will continue to be one of Michigan's safest communities.

The Troy Fire Department has earned 11 Life Safety Achievement Awards, recognizing a continual effort of no fatalities in structure fires, in the past 11 years. Fire Chief Bill Nelson and his team of professionals, both career and the 180 volunteer fire fighters ensure that Troy is a very safe place to live and work.

Because of these tight economic times, our City Staff are constantly challenged to do more with less and they rise to the challenge. The Troy Purchasing Department received the 2007 Achievement of Excellence in Procurement Award by the National Purchasing Institute. That is now five years in a row. Troy's Fleet Maintenance Division was again named one of the top ten in our nation. And the Governor's Traffic Safety Advisory Commission honored the city of Troy with a traffic safety award for the citywide upgrade of traffic signals.

While our City Staff has been working hard to meet the needs of our residents, our business community continues to invest, grow and prosper in Troy. Following the trends of recent years many new businesses moved to Troy and existing companies expanded during the past year making 2008 another active year for Troy. We continue to see growth in our residential and business development even during these tight economic times.

Through December 2008, the number of building permits issued totaled 1,427 with a permit valuation totaling over \$117 million. Single family dwelling permits totaled 45 and there were 15 permits for Condos.

While all over the country, headlines continue to talk about the tough economic times, we were encouraged by the projects still occurring in 2008 to keep Troy on the map as we continue to build for the future. In the fields of technology and automotive:

- Troy-based Compact Power won a multimillion-dollar contract to help develop batteries for plug-in hybrid-electric vehicles.
- Seco Tools, a world leader in metalworking technologies moved into their newly built headquarters in Troy with more than 120 employees at this site.
- Behr America finished its second major expansion in three years, by building a 69,000 sq. ft. facility.
- Faurecia made a \$1.15 million investment in new equipment to expand their operations in Troy.
- ProMetal invested \$3.8 million in new equipment, including technology from MIT, and they will add 20 new jobs.
- Peiker Acustics, a family-owned German company moved into a facility in Troy, bringing its acoustic product lines to benefit the automotive market.
- Hybrid Design Services, an engineering and design firm, specializing in alternative energy technologies, moved to Troy, bringing employees and innovative projects.
- Ace Electronics expanded its Michigan operations with a second Troy facility. The building will
 be used to produce military and robotic cable assemblies and perform system integration.
- LMS North America, an Engineering Innovation Company partnering with the automotive, aerospace and advanced manufacturing industries, moved to a new larger, corporate location in Troy.

- International Automotive Components Group acquired the assets of Lear's Trim and relocated their Prototype Center and Validation Center to Troy. The new facility hosts the company's prototype, development and validation of automotive door and instrument panels.
- Saleen Inc. of Troy was awarded a \$1 million contract toward production of Gibb Technologies' high-speed amphibious vehicle in North America.
- Oakland County Executive L. Brooks Patterson announced that his Emerging Sectors business attraction and retention program has surpassed \$1 billion of investment in its first four years. Emerging Sectors has also created 11,732 jobs, retained almost 3,000 jobs and generated more than \$25.6 million in taxes. Troy's North American BanCard was one of the latest projects to put the program over the billion dollar milestone.

On the financial & IT horizon, we also saw many positives...

- World Alliance Financial, ranked as one of the top three reverse mortgage leaders in the nation, moved into Troy this year. At the opening of their new offices, they also gave back to the community through a \$5,000 donation to the Boys & Girls Club of Troy.
- North American Bancard invested \$25 million to purchase, renovate, and outfit a new facility in Troy. The expansion is expected to create 1,500 new jobs at the company and an additional 399 spin-off jobs within the next 12 years.
- USA Credit Union joined forces with T & C Credit Union to form an even bigger and better Genisys Credit Union with 23 branches in southeast Michigan, two in Troy.
- EDS Credit Union opened a new location in the city to service all EDS employees and their family members
- One of the largest sourcing data and advisory firms in Michigan, TPI, opened its new Strategic Client Services Center of the Detroit-metro area in Troy.
- Global Strategic Connections which provides worldwide organizations with a solution to their procurement needs moved to a larger facility on Butterfield Drive.
- BOSSdev, a professional software development and creative solutions provider moved their headquarters to Troy on Tower Drive.

Green Development continues in Troy

- The new addition at Walsh College, The Jeffrey W. Barry Center, was completed at the end of 2007. Their new building was recognized as a leader in building "green" by the Troy Chamber of Commerce "Best of Troy" Committee. The addition conserves energy, saves water through sustainable landscaping, protects our wetlands, and uses recycled content in virtually all the building materials.
- The City of Troy hosted a "Shades of Green" seminar for commercial property and business owners.
- The City of Troy is now the permanent location for the 700-square-foot solar home, built by Lawrence Technological University students. It runs on energy from the sun. ALOeTERRA (meaning to nourish the earth), was designed for the U.S. Department of Energy's Solar

- Decathlon held in Washington, D.C. The 'Aloeterra Solar Home', will soon become a hub for meetings and programs related to education, energy and the environment.
- Orlans and eTitle, another "green" business moved to a new facility on Big Beaver that better
 accommodates their need for more space and improved technology. This year they plan to
 redevelop the storm sewer pond adjacent to Big Beaver to a park-like setting.

In the field of Health Care, Troy also saw positive advancement...

- Beaumont Hospital in Troy opened a new cancer and hospice unit to serve the needs of their patients while a permanent home for the unit is being constructed.
 Their construction / renovation continues through 2009.
- Health Plus of Michigan opened its first Oakland County office in Troy due to the organization's
 increasing business in southeast Michigan. The Troy office houses the Health Plus sales,
 provider network management and community relations staff. A special thank you to Health Plus
 of Michigan since they are today's event sponsor.
- State-of-the-art Precise Chiropractic relocated to Troy on John R featuring a well-researched chiropractic technique which gently realigns the spine through the National Upper Cervical Chiropractic Association procedure.
- The Wellness Counseling Group opened on John R. featuring a group of dedicated therapists who provide behavioral and therapeutic counseling to help people achieve their goals.
- The Eye Surgery Center of Michigan, developed by local physicians in partnership with St. John Health built a state-of-the-art surgical care center on Livernois.

Other business developments to take note of include:

- Kelly Services signed a five-year lease to occupy 30,000-sq.-ft. of space in Troy. This expansion will generate more than 500 jobs over the next seven years.
- Basso Design Group relocated from the Farmington Hills area to Troy bringing new jobs.
- Allied Transmission opened on the corner of Rochester and Wattles pledging honest repair and maintenance and offering 10 percent of all repairs to non-profit organizations.
- Tepel Brothers purchased land to expand their printing services in Troy with \$5.1 million in printing technology.
- Fox Portrait Studios has relocated to their newly renovated studio on Rochester Road.
- Articulate Signs brought its more than 30 years of sign design and installation experience to the City of Troy.
- Opening a new, state-of-the-art storage facility, 1-800-Mini-Storage offers sophisticated storage amenities to their clients.
- A local entrepreneur opened Troy's first Elements Therapeutic Massage business in Caswell Town Center.
- Oakland Companies, an independent, full-service, insurance agency opened their doors on Big Beaver.

- Quell Group, an integrated brand communications firm, has moved to Troy and nearly doubled the size of their old offices.
- LA Fitness brought their nationwide network of sports clubs to Troy to help us achieve the benefits of a healthy lifestyle.
- New indoor inflatable playground, BounceU, opened their first Michigan location in Troy.
- Home Field Sports opened a new 9,000-sq.-ft. facility with batting cages and turfed training area on Maple Road.
- Darbonne Portraits, formerly Charming Snapshots, added a new photo studio in Troy specializing in a casual approach to children's photography.
- Beth Collison of Troy opened a religious bookstore and coffee shop on Wattles Road called Faith@Work. It is very unique in that it is a store with a non-profit status.

Even with world-class shopping already available within our City, our retailers are continuing with new and exciting developments.

- New stores opened in the Somerset Collection including American Eagle, True Religion Brand Jeans, Teavana, For Love 21, Vera Bradley, Juicy Couture, Max Azria featuring Herve Leger, and Lululemon Athletica.
- Also Oakland Mall has opened new stores including <u>Aleena Toys & Gifts</u>, <u>Day By Day Calendar</u>, En-V-Us Couture and Tikana.

And of course, Troy never can have enough restaurants within our boundaries.

- Billed as a "modern American supper club," Ocean Prime seafood and steak restaurant came to Troy in June. It's the chic place to see and be seen.
- Tre Monti Ristorante opened at the San Marino Club's new cultural center featuring authentic dishes from the tiny independent republic of San Marino, which is a picturesque, landlocked enclave in the Apennine Mountains, completely surrounded by Italy.
- Three former LaShish employees opened Troy's new Mediterranean eatery LaMarsa on Rochester Road. Named for a Tunisian coastal town, LaMarsa features a vast selection of Mediterranean dishes.
- Loccino Italian Grill and Bar filled the spot formerly occupied by The Palm. Owners Frank and Tony Shushtari are familiar with the restaurant business, with their popular Alfoccino chain, and developed a new concept for dining in their new Troy location.
- Buffalo Wild Wings, one of the Top 10 fastest growing restaurant chains in the country, landed in Trov.

Smaller food establishments included

- As part of the Caswell Town Center Planned Unit Development, three new restaurants and a
 coffee shop opened in 2008. Noodles & Company opened its second Troy location; Salsarita's
 Fresh Cantina serves hot, healthy and fresh Mexican food; Oberweis Dairy features yummy ice
 cream and dairy products and a new Starbucks opened.
- Ben Popaj and his family opened Romira's Coney Island on W. Maple Road offering fresh, madeto-order entrees for reasonable prices.
- The first Rib City in the Detroit area opened in Troy featuring mouth-watering ribs, pork, beef and chicken.
- Kalamata Greek Café is the newest fast-casual restaurant in Troy and features made-to-order, delicious Greek foods.
- Zoup! opened their third Troy location, joining the Peacock Cafes in the Somerset Collection.
- After 25 years of business, Wellington Pub opened a location in Troy with their full menu of burgers, fish and chips, and more.
- Coffee with Cream opened on Livernois and Long Lake to bring coffee, ice cream and pastry items to the residents of Troy.
- With more than 30 locations around Metro Detroit, Passport Pizza 'n' Ribs opened a spot in the city to serve their pizza, ribs, wings, pasta and more.
- Efro's Brothers Pizza is also a hit in the Emerald Lakes Plaza with their homemade pasta, specialty pizzas, and more.
- Pizza Papalis makes its debut in Oakland Plaza
- A Troy couples' dream was realized with the opening of Café ZuZu, a friendly neighborhood eatery located in the Meadowbrook Plaza.
- An upscale Starbucks also opened its doors on Crooks Road and Big Beaver with a very inviting fireplace and seating area..

The City also saw new residential projects including Timbercrest Farms, Village of Tuscany and Caswell Home Sites. We also had townhouses started in the following condominium projects: Briggs Park, Carlton Villas and Grand Troy Villas.

Troy would not be the excellent City it is without a high quality educational component. People move here because of our exceptional schools. Our Troy School District, as well as the other six school districts that service Troy, plus our institutions for higher education continue to excel. Our students perform at levels that are among the highest at state and national levels. Student performance on standardized tests such as the MEAP, ACT and SAT continues to demonstrate how our community values the importance of an exemplary school district. Some highlights of 2008 include:

- The east campus of the International Academy opened in August. Coupled with Athens and Troy High School, this means that our community has access to three of the best high schools in the nation. All three of them placed among the top five percent of the nation's schools by U.S. News and World Report.
- Every K-12 school in Troy earned the top grade an A from the Michigan Department of Education through the Education YES! program. Only a handful of Michigan school districts can

make this claim, and Troy is certainly one of the largest districts where every school earned the top grade.

- Our staff and students continue to be recognized at state and national levels for their commitment to excellence. Last year, more than 600 students were honored for placing first in state competitions or earning national recognition. Recently, Biology teacher Rebecca Johns was honored as the science teacher of the year for Michigan.
- The Troy Board of Education has been honored by ArtServe Michigan as School Board of the Year for its commitment to Fine Arts.
- Troy has become only the eighth school district to earn the prestigious North Central Association
 district-wide accreditation. Part of the process involved the creation of a new mission statement of
 our schools. The mission now reads: "The purpose of the Troy School District is to ensure
 learning for all members of the school community." This mission will be the basis for planning that
 will take our exemplary schools to an even higher level.

We also like to boast about Troy's Lifestyle being second to none. We know we're a great place to live, work, learn and do business, but playing is also very important. This is evident by our quality Parks & Recreation department and the variety of programs suited for all ages and abilities. Not many communities can claim to have more than 900 acres of parklands and two championship public golf courses. The Troy Family Aquatic Center and the Troy Community Center indoor pool won international recognition from *Aquatics International Magazine* as having the Best Overall Commitment to Aquatics.

In addition to receiving continuation funding for the Drug Free Communities Support program and Coalition mentoring grants in 2008, the Troy Community Coalition was one of only 80 recipients of the "Sober Truth on Preventing Underage Drinking" grants which will bring an additional \$50,000 to the Coalition for the next four years. These grants provide substantial funding and allow the Coalition to continue to work on reducing the abuse of alcohol and other drugs among adults and youth in Troy.

While I have talked a lot about the positive development from this past year, I do admit that it was also challenging. Look at our Pavilions of Troy project that we were so optimistic about last year. Unfortunately nothing has happened to move this project forward in 2008, definitely not due to a lack of support from the City of Troy or Senator John Pappageorge. There have been many things working against the Pavilions such as the economic downturn and the State of Michigan denying them their tax credit.

However, let us not forget about our future. We need to constantly plan for developments that will meet the needs of our residents as we move into the future. Troy has joined forces with the City of Birmingham and are moving full steam ahead to bring the Transit Center to fruition. This 28,000 square-foot center will serve as a regional transportation hub. We jointly hired Clark Hill as the project manager to help us obtain the funds necessary to meet the 2010 deadline. We know that it will be a challenge this year since there is a lot of competition for federal dollars but we are going to remain confident and optimistic.

We have a German company in Troy, Heller Machine Tools...they have transformed their business in Troy from sales and light assembly to manufacturing. The main reason is that they learned that Troy and the southeast Michigan region has a high percentage of quality employees. We are a center of excellence in engineering, and many other specialties. Now, Heller is bringing people over here to Troy from Germany to learn from us how we do business.

The City of Troy is always looking forward. And because of that visionary attitude there are a lot of exciting things about to happen that will ensure Troy makes it through these tough economic times.

We must remember the words of President Obama from his inaugural speech, "We remain the most prosperous, powerful nation on Earth. Our workers are no less productive than when this crisis began. Our minds are no less inventive, our goods and services no less needed than they were last week or last month or last year. Our capacity remains undiminished."

In spite of what is going on all around us, our future will be very positive and solid. But we must all work at this together. We have a lot of opportunities for our current and future residents and businesses. Services and businesses and projects that work to sustain our city, our region and our state will go on. You have my personal commitment to continue to lead with a professional and positive attitude, be vigilant and truthful in my duties as Mayor representing you and expecting excellence for our community. Let's all work together and make opportunities become realities!

In his Inaugural Speech, President Barack Obama essentially asked Americans to re-pledge their own allegiances – to work, to family, to responsibility, to finding solutions together. "What is required of us now is a new era of responsibility," he said. "A recognition on the part of every American, that we have duties to ourselves, our nation and the world, duties that we do not grudgingly accept but rather seize gladly, firm in the knowledge that there is nothing so satisfying to the spirit, so defining of our character, than giving our all to a difficult task."

So based on our president's message, I would like to issue a challenge to all of you here today. Let's be responsible for ourselves and our neighbors. Take time to help people in our community no matter how small the task. Take a meal to a shut-in, rake a neighbor's lawn or shovel their snow, offer to babysit, drive an elderly friend to their doctor's appointment. Together we can change the world, or at least change Troy one kind word or one small deed at a time.

Thank you.